

# News Release



## **Controller of the State of California - Kathleen Connell**

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**Immediate Release**

## **STATE CONTROLLER KATHLEEN CONNELL HOSTS COMMUNITY CONFERENCE TO FIND SOLUTIONS TO HOUSING CRISIS IN CALIFORNIA**

### **IDEAS INCLUDED INCENTIVES FOR LOCAL GOVERNMENTS TO BUILD AFFORDABLE HOUSING**

**Santa Clara, CA, March 16, 2001** – State Controller Kathleen Connell hosted a panel of legislators, including Rebecca Cohn, (D) Saratoga, and Manny Diaz, (D) San Jose, and experts from housing, real estate, and economics today at Intel Corporation, in Santa Clara, to discuss ways to curb the state's housing crisis.

"Without quality affordable housing, California will not be able to attract the workers and the businesses that have helped us grow to be the 6<sup>th</sup> largest economy in the world," Connell told a crowd of nearly 100 people. She then asked each member of the panel to pose their solutions.

"We need to remove barriers to availability and affordability of housing," said Cohn, noting that there are no incentives for local governments to approve housing projects. She also called for stricter enforcement of policies to encourage building.

Assemblyman Diaz agreed there is a lack of accountability on the part of local governments. "I really don't believe there is the political will to really make more affordable housing," Diaz said, adding that mayors of the Silicon Valley need to work together to solve the area-wide problem.

Santa Clara County Supervisor Don Gage, suggested a variation on the incentive, saying it should be offered to businesses, rather than local governments. "We are putting the incentives in the wrong place," Gage said. "We ought to provide the incentives to businesses, as they expand, to move into the communities that are now providing the houses."

"What do we do with the increased population of 600,000 per year?" asked Ron Kingston, of the California Association of Realtors. Kingston noted that at current prices, many workers would have to work 140 hours per week to rent a two-to-three bedroom house. He suggested other tax incentives created by redirecting local tax revenues. He also said employers should get involved in planning and offer down-payment assistance programs.

Laura Stuchinsky of the Silicon Valley Manufacturing Group also called for more cooperation. "We need to get communities to carry their weight," Stuchinsky said. She provided details of the Housing Action Organization, which promotes higher-density housing projects and endorses them at local hearings.

Richard Lyon of the California Building Industry Association noted that new tax incentives could help overcome a major problem. "Communities tend to see housing as a drain on local resources," said Lyon. His solutions focused on opening up urban land to redevelopment and infill.

State Controller Connell emphasized how drastic the housing crisis is for California. "Housing is one of the most serious problems our State faces, and one of the biggest threats to California's future prosperity," she said. "I convened today's conference to begin forging towards concrete solutions."

#### **Fast Facts:**

- California has a housing deficit of about 100,000 units a year
- Only one home is created for every 3.5 new jobs
- The average price of a single family home in California is now at a record high of \$252,000

Connell also released the Spring, 2001 issue of the *Controller's Quarterly*, which highlights some successful model cities for housing development. Please call for a copy.

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